

# SOCIAL ACTION

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## *This Side and That*

### *Card Shuffling*

The states have been reorganised; governors installed, assemblies refurbished, officials and clerks redistributed, files transferred, grants and taxes adjusted, frontiers demarcated; all is now in readiness for the general elections coming off in five months.

The executive committees of the parties are set on their great democratic work, counting their supporters, framing attractive programmes, seeking alliances, scrutinizing candidates and drafting popular speeches. Every party has a social, socialist, or socialistic pattern; that is the fashionable label nowadays; it is not always the scientific socialism of Marx, but always some sort of policy that is focussed on society. There is no talk of the liberty of the citizen and of reviving the old Liberal Party; it would be too original; our politicians put the emphasis on the role of the state rather than on individual effort; they favour a modern "*mabapism*".

The election will be some sort of battle between socialisms, not a battle in Hungarian style, but some-

thing in the Babel tradition. Several leftist parties plan to form an anti-Congress front; they take it that the essential stake in the fight is to defeat the Congress. This might be a short cut to power but it would hardly make for union and harmony after election day. It means clarity in tactics but not sanity in public opinion. More than ever should electors scrutinize programmes, cross-examine candidates, and pick on the least unsatisfactory representatives.

### *Unesco*

One of the tasks facing the Unesco session at New Delhi is the arduous labour of writing a history of the scientific and cultural development of mankind. World friendship, it is felt, can hardly develop unless the peoples know each other's history, traditions and contributions to the common heritage of man. This history which is to be published in 1960 is taking shape under the guidance of a commission of 29 members representing twenty countries and its six volumes are planned to cover the various stages and sections of mankind's development: language and writing, education and intellectual institutions; science and technology; division of labour and social structure, law and government; scientific theories, religious beliefs and philosophical systems; creative forms of expression, arts and literature; theory of knowledge and scientific methods, new forms of investigation, thought and belief.

Some 150 correspondents from 50 countries are co-operating with the commission which has chosen specialists to submit a final draft for the commission's approval. The final text will be published in English, French and Spanish. The task was taken in hand as

early as 1950, the discussion goes on at New Delhi and the task of harmonising the various parts will proceed.

The task is a noble one ; the Unesco is at home only when tackling problems of large dimensions, and nobody is welcome to its meetings unless he has an outsize mind and heart. But the present labour means no less than writing the unfinishable symphony of history with all possible instruments : tabla, vena, ukelele, cymbals, balalaika, tympani, drum, cornet-à-piston, triangle, siren, penny whistle, etc. and providing for solos suitable to all voices.

More realistically, our historians may easily agree on dates, but much less easily on causes and results of wars, migrations, revolutions ; they might compromise about names of inventors ; they will hardly agree on the fundamental tenets of Christianity, or the definition of Hinduism ; they will diverge about the oscillations of civilisation, the mutual influences of cultures, the spirit and results of colonialism, etc., etc. One must strain one's imagination to fancy Toynbee agreeing with a Marxist about the secret spring of history, Aryans with Dravidians about Mohenjo Daro, or Sardar Panikkar with Father D'Souza about the history of the missions, and so on. It is not expected that the Commission will settle matters under discussion with the easy process of a majority vote. It is likely that the democratic process might be best accommodated by providing ample facilities for notes of dissent but that would mean footnotes for each line. The Unesco however is not losing heart because of such difficulties ; it remains deliberately optimist.

### **Social Congresses**

The impact of ideology on social studies was brought out in the powwows of Amsterdam and Marseilles. The Third World Congress of Sociology held at Amsterdam under the auspices of the Unesco gathered specialists from many countries; the reports and essays dealing with "the social evolution in the 20th century" were replete with facts and figures objectively written down, but the interpretations and suggestions were jarring; to be noted especially the staggering contrast between the personal recommendations coming from the democracies and the propaganda lessons dictated from the Kremlin.

At Marseilles on the contrary there was a common ideology in the Thirty-fourth Social Week of France. As at Amsterdam the audience was largely youthful, but here a common general doctrine permitted of fruitful discussion groups in which technician, trade-unionist, manager, peasant and workman could usefully add personal observations and suggestions to the theoretical views of professors. The main subject related to human duties in an expanding economy, which runs in three directions: technics, ethics, theology. Economic expansion is not limited to material well-being but is also a privileged occasion of finding solutions to fundamental problems of social and human progress. For the specialist in ethical science, one may single out a proposition of Fr. Bigo on the range of social justice: "the owner is in duty bound to use his surplus resources to meet true necessities; this is a duty not only of charity but of social justice; moreover the community may on occasion enforce this duty by means of suitable legislation."

A. L.

## *Automation*

The latest novelty of Paris was the international Congress on automation which last summer gathered experts from twenty-five nations.\* The experts told of what was done in their own country from the technical point of view and suggested some problems of social and civic importance raised by what is called the "second industrial revolution", which is mainly due to the development of electronics and which prepares a third revolution when the industrial use of atomic energy will have grown.

Automation began when some two hundred years ago Oliver Evans of Philadelphia set up a mill which automatically ground wheat into flour and when some years later Joseph Jacquard in France invented his mechanical weaving which replaced human labour with a system of perforated cards. It is, however, during the last ten years that, particularly in the electronic line, progress has become fantastic. The U. S. A. experts had of course the most striking instances to quote. Fifty years ago 162 machines manned by at least one labourer could now be replaced by one sole self-feeding and self-controlling machine at a cost lowered by ninety per cent. In Detroit (Michigan) one machine can fabricate all the pieces of plane-motors at one hundredth per cent of the old cost and occupies a minimum fraction of the old area. One expert mentioned an increase of 275% in production with an increase of only 40% in workmen. In some banks, perforated cards, electronic cells, etc. establish

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\* Cf. Informations Catholiques Internationales. 15—7—'56.

in no time the accounts of a customer and test if a check is payable, as well as calculate in thirty-three hours the accounts of some three hundred thousand customers.

Such a revolution will bring about economic and social changes which invite the attention of all social reformers. In the U. S. A. where the democratic spirit is always on the alert and always keen to keep human progress running parallel to industrial advance, the second industrial revolution has called for the attention of a special subcommittee of the Congress in which social changes were studied with objective criticism.

### **Unemployment**

The first point taken up was unemployment. The retrenchment and replacement of a large number of employees is a social as well as an economic problem. The unskilled or semi-skilled employees are dispensed with and qualified engineers replace them. In a democracy it is a problem for employers and for employees as well as for the government. Mr. W. Buckingham, a professor of technology, quoted instances of a reduction of 63.4 per cent of the labour force, a retrenchment of one million workmen in mining and engineering in the course of one year. Automation creates immediate unemployment which can only be reduced if the national economy keeps expanding. On the other hand, automation gives rise to subsidiary industries, but it also demands a longer period of training to secure the properly qualified hands. Happily the concerns which are preparing

for automation do not employ more than one fourth of the actual labour force. Yet there is no automatic regulation of automation and of the consequent economic development.

One fact disturbed the confidence of American entrepreneurs and technicians: it was that this year the U.S.A. will deliver 27,000 diplomas of engineering and 50,000 diplomas to technicians against the 45,000 and 1,600,000 parallel diplomas delivered by the U.S.S.R. and there is a relative shortage of suitable candidates. It was suggested that by lengthening schooling till the age of twenty-one, some eleven million young people could be kept away from the "labour-market" whilst being given appropriate training in automation, though this would entail the building and staffing of some one hundred thousand class rooms, and though the recruiting of suitable teachers might be difficult.

### ***Labour's View***

When Mr. Walter Reuther was called upon to give evidence, he recalled the history of the first industrial revolution: increased unemployment, greed of employers, fall in wages etc., in short a regular exploitation of man. Yet mindful that automation should not be prevented but controlled only, he continued: "We welcome the advantages of automation, but we oppose the capitalists who would introduce it blindly in the hope of speedy and limitless profits. Let there be a tripartite commission (government, employers, workmen) that would control the expansion of automation after a detailed analysis of the present situation. Undertakings should not be automatised unless with the approval of the Commission that would ascertain

the re-employment of displaced workers as well as matters like salaries, prices and conditions. This Commission would watch over the development of economy on a national scale. In this way the sad and sorry sequels of the first industrial revolution would be avoided or at least toned down. It should, however, be noted that the work of such a Commission would hamper 'free enterprize' and mark a step towards socialisation."

### ***Pensions and Leisure***

The spread of automation would cut down employment and also demand prolonged schooling. 'One must foresee that the age for retirement would have to be advanced, and a system of earlier pensions established to provide for the unemployed. The trade-unions are anxious, especially about the workmen who are young enough to work but who find it hard to take up a new kind of labour demanding higher qualifications. How is this system of pensions to be financed? Social legislation will have to be voted. It is not easy to fancy that employers will make the necessary contributions; the more so that automation cuts down the number of employees but also cost prices whilst reaching a higher production, which cannot be absorbed unless the purchasing power of workmen and people is increased. At the same time, profits might increase so much as to accumulate in the hands of a few and so create a small privileged class. Hence labour representatives suggest a re-adjustment of the levels of taxation.

Another consequence of automation is the reduction of the number of working hours. The Auto-

mobile Workers Association is already clamouring for the thirty-two hour week instead of the present forty-hour week. With four eight-hour days in the week, plentiful leisure will be available, leisure which, from the social point of view, should not be equated with laziness. To employ that leisure profitably, libraries, cultural associations and facilities, sport grounds, swimming pools, hospitals and specialised schools should be provided by the state out of the increased profits accruing from automation.

When calculating the amount of unemployment due to automation, one should not limit one's vision to the industrial field but also envisage the fate of clerks, supervisors, etc. in the offices of the government and of private firms, banks, etc. This point is brought out best in countries like France in which automation is less threatening in industry and in agriculture than in the bureaux. M. Grambin estimates the clerical staff at 2,200,000 out of whom one million work in State administration; these latter could easily be assured of employment by the government, but in the private sector no more than one fourth (those in charge of correspondence and the like) could escape unemployment if employers were to take to electronic automation; so that some 900,000 employees in bureaux should look for other jobs if any be available.

### ***Altering the Landscape***

Automation, besides creating individual problems, raises large scale changes, and may provoke mass displacements. Often enough, instead of modernising equipment, it is preferable to build new factories on new sites, sometimes at a great distance; it may even

happen that the employer finds it preferable to recruit hands which have not been 'accustomed to the old machines and techniques. Were automation coupled with the introduction of atomic energy, or with solar energy, the process may lead to fundamental changes in human geography.

Most industrial concerns were aligned along a coal belt or other, or close to hydro-electric stations. With new sources of power, geography will be altered ; the old black areas will lose their population, workmen will seek the new centres and claim for new housing, communications will demand reorganisation, subsidiary industries will be displaced, schools, hospitals, etc. will follow suit and the whole face of the land will be altered as happened on the Atlantic seashore of America during the war years. Abandoned coal or metal mines, claims for sanitary conditions in old factories, combines of concerns are there to suggest the scale of the geographical changes automation may produce. Moreover one must foresee a further intervention of the State to secure restrictions and controls, since the readjustment of population, employment, wages, education, etc. will not be made automatically with automation. Intelligent labourers will not oppose changes stupidly but they owe it to themselves and their family to secure an equal or a better standard of living without having to pay the price their forefathers did pay during the first industrial revolution. Nor should they be expected to console themselves for present conditions with the hope that some time or other in the distant future matters will get settled. The employers who are socially responsible for the social changes should be made to realise that they are

also financially responsible and have to share the costs along with the workmen and the government.

### ***The Employer's Views***

Employers are not without arguments when discussing automation with labour representatives. After grudgingly conceding the problem of immediate unemployment, they insist that automation will create new jobs in subsidiary industries v.g. in the fabrication of the necessary equipment, that the labourer will be liberated from the lower tasks in the ancient factories, that man will not be any more the servant or slave of the old machine but the controller of the new machine, that he will become a highly skilled worker and be promoted to a higher social status.

They readily quote instances of the past: steam energy, electric energy allowed trains, buses, motorcars, etc. which eliminated the blacksmith, and which created new employments, mechanic, garagist, road contractor, etc., etc. Trade Unions agree that labour under automation will escape the painful, monotonous and enslaving tasks of the present industrial system. They, however, challenge the comparison with the old production. With the birth of automobile factories, for instance, new products were put on the market, new employment was created; but with automation, no new products will appear; the only change is that the old products will be produced at a larger rate with a fall in labour and in cost. Experts, like Professors Buckingham and Dallas, estimate that automation will not lead to a lasting increase of investments as happened with the birth and growth of motorcars, railways, canals, etc.

***Bird's Eye View***

When all is said, it is clear that state, employers and employees will, owing to automation, be faced with technical and economic problems which are human problems :

(a) a fall of employment which should not be solved with a dole system but rather with shorter work hours, prolonged schooling, earlier retirement with pension ;

(b) a displacement of workers and other personnel who should, when possible, be trained in the new techniques ;

(c) a displacement of factories with consequently the creation of new agglomerations and abandonment of ancient sites, and reshuffling of population ;

(d) a large increase in leisure which calls for cultural and sportive activities ;

(e) a revaluation of prices, wages and costs, with heavy allotments to games, education and cultural pursuits.

Those problems are already studied by trade-unions, and social reform associations ; but so far nothing like concrete solutions have been found.

France has attempted little in the line of automation, except in offices ; West Germany and Britain are forging ahead, and the U.S.A. is outdistancing all countries. In that regard some recent psychological phenomena observable in the people of the U. S. A. run along the same lines of development as adjust-

ment to automation follows. During the war and the after-war many American citizens reversed the trend towards city life. They now seek the suburbs, the "green belts" provided around industrial cities; to the urban congestion, crowd-psychology, and trepidation they prefer silence, quietude and comfort in isolated housing. The mood at present is a comfortable "back to the country". An increasing birth-rate, a spreading desire of a more stable conjugal status, a saner view of family life are factors of this trend. Newly wedded couples seek a small town in which they may find employment and suitable housing close to their place of work (there are some 25 million Americans who now enjoy those conditions) or they seek a corner in the green belt of a city (some 44 million people have secured such conditions).

Thus we have a decongestion of crowded centres, well adjusted to the increase of leisure hours. In that way, measures are taken to prepare the reorganisation of life which automation will demand: development of sportive cultural, educational activities, even a reorganisation of parochial services and organisations. All such social changes and human problems receive the attention of experts, trade unions, states and also of earnest social reformers.

What of automation in India? It is so far a new subject of academic discussions. Little is said in government circles or among planners. Yet automation in our economic development would speed our progress, lower our costs in the final total costs of modernisation, cushion the actual trends towards the cities and black areas, etc. We are short of quali-

fied personnel and of financial outlay that would be needed. Yet nobody should prophesy that no bold leader in the private or public sector will ever make up his mind to plunge for automation, if not in industry, at least in administrative services. Fortune favours the brave, and India is not without brave men. Hence the problem of automation should already be put on the programme of social and economic reformers.

A. Lallemand.

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## *Problems of Management*

It is not often that Managing Agents in India get together at the same table with their staff to discuss the managerial problems of their various industries. The Tata Group of Managing Agents however is an exception to this rule. In a brief synopsis entitled the *Second Tata Management Conference*, the substance of several papers and discussions is brought together for the benefit of a wide range of readers interested in the problems that Indian Management faces today, and anxious to discover how the Tata Companies are trying to adopt modern methods of liberal and efficient management.

### **Problems**

The address of the Chairman, Mr. J. D. R. Tata, to the Conference is perhaps the most candid and outspoken in the series on the problems that peculiarly confront top Indian management in the sphere of ideology and actual practice. In the first place,

Mr. Tata complained of the almost stifling Government control in regard to the expansion of private enterprise which requires Government consent for every new advancement in the field of industry. It took him nearly a year and a half of arguing with the Government of Bombay to get that Government's permission to set up the second generating unit in Trombay. Similarly, questions of import licences, sending money abroad, capital issues, etc., have all to be referred to either the Government of India or the State Government.

While sympathising with the present-day capitalists on their hard lot, one cannot help remembering that they are in great measure to blame for much of the prevailing atmosphere of suspicion and hatred in which they are held. Had their predecessors yielded less to the selfish dictates of the profit motive in the past, they would not be suffering from the punitive effects of Government control and labour opposition today. It may be that the swing towards the Socialistic conception of society has been drastic and extreme, but the capitalists are only reaping what they have sown.

In the next place, Mr. Tata mentioned the difficulty of obtaining capital to finance the expanding Tata industries. In other countries the financial structure is much better organised, and the opportunities for raising finance are much easier and widespread. It is not so in India where because of the low standard of living and the high rates of taxation it is becoming harder for the individual to save. Moreover the Indian public generally prefer security even at low interest

rates to risk-bearing capital issues and high dividend rates. Nor is foreign capital so easily available ever since the Government have plumped for a socialist pattern of society.

Thirdly, Mr. Tata drew attention to the shortage of trained management in this country. According to Mr. Tata, while a skilled worker can easily be turned out in four or five year's time, it takes twenty to twenty-five years to produce a trained manager. India has not been industrialised so very long ago as to have gained the services of experienced managers. Recently however there have been many critics of the Managing Agency system which is accused of aggravating the situation by its nepotism and monopolistic practices. Since the country is well on its way to rapid industrialisation, this handicap will soon disappear, and the country will have the experienced managerial skill it requires.

Fourthly, Mr. Tata focussed attention on the labour problem that confronts every industrial management. In this respect, the Tata Iron and Steel Company in Jamshedpur have eased the situation by entering into a collective agreement with the recognised union. In many ways, this agreement is one of the first of its kind in India and most probably is the forerunner of similar agreements between management and labour in other industries.

### ***Ideology and Productivity***

Mention of the agreement led Mr. Tata to the main topic of the Conference — higher productivity in terms of labour. It is not only in the ideological

sphere of whether the country should continue on the road to industrialisation and adopt all the modern labour-saving techniques that Indian management is facing a crisis. The Gandhian ideology, with its insistence on simple living and high thinking, appears to look with suspicion on any attempt to increase the material prosperity of the people. However much he may be misinterpreted by his followers, Gandhiji did not set his face completely against the machine. He certainly desired the material advancement of his people, and he rightly stressed that a much larger proportion of that improvement should reach the village populations living on the verge of starvation and neglected for centuries. On the other hand, he would never have liked his people to be so immersed in purely material prosperity as to forget their nobler selves, and the spiritual interests that truly civilise man.

But apart from the ideological question of Gandhian principles in regard to the adoption of the machine, there is the more urgent problem of unemployment that is haunting the Indian government especially after independence. With the increase in population of five million a year, the labour force is bound to swell proportionately in the numbers annually seeking for jobs. It is this peculiar situation that is responsible for the opposition to a rapid industrialisation of the country, especially wherever this would mean the introduction of labour-saving machinery.

There is no doubt, as Mr. Tata argues, that a high standard of life is possible only through a high degree of industrialisation. A high degree of industrialisation

is possible only if high purchasing power is created. In India despite the vast population, the demand for goods is very low because of the absence of purchasing power by the people. There is no *effective demand*. But high purchasing power can be created only by higher incomes and wages; and these precisely are possible only through higher productivity. In other words, the output of production per worker must increase, so as to lower costs of production. The worker will be given a larger share in the increased gains of production. With an increase in his income, his effective demand for goods and services will increase and consequently a new wave of industrial effort will arise to satisfy the new demand. This in its turn will provide further employment for many more persons. A classic example seems to that of the production of cars in the United States. Ford's mass production of cars has created employment for many more millions of workers today than the hand-made production of the primitive types of locomotive could provide their ancestors half a century ago.

### ***Rationalisation***

However true this argument may be, for the advanced industrialised countries of the West where labour is short, will it hold good for an underdeveloped country like India, which is haunted by a labour surplus that is steadily increasing year by year. While the setting up of a new industry may provide employment for a large number of men, the attempt at higher productivity in the well-established industries in the country will really lead to an aggravation of the unemployment problem for quite some time. It is this transition period when the labour complement

is reduced through labour-saving devices or through assigning a heavier work load to each man that scares public opinion and the Government from wholesale advocacy of rapid industrialisation, in spite of the long-term advantageous effects. As a matter of fact, the Tata Iron and Steel Industry in Jamshedpur has been permitted to double its present production of steel. Instead of its present production of a million tons annually, the Company will produce two million tons of steel a year. On the other hand, the Company is not going to increase its labour force, but make the same number of men produce double the quantity of steel. According to the statistics published by the Company, the production per individual worker is approximately 30 tons per year. After the new machinery is set up and the new shops opened, the tonnage production per man will be about 60, thereby doubling his present average.

### **The Union**

In the meantime however, the Company has taken good care to see that it has the Union on its side, and it is with the consent of the TISCO Workers Union that the policy of the Company in regard to its plans for higher productivity has become viable. According to the agreement, the Company recognises that Labour is entitled to a share in the gains arising from increased productivity and has therefore signified in advance its intention to grant a substantial increase in wages as soon as the proposed extensions to the plant are completed and production begins to increase. It is admitted that under the two million tons scheme certain departments will have to be shut down, but

the interests of the employees concerned will not be thereby endangered. They will not be retrenched but transferred to some other department or trained for alternative employment. Their average earnings are guaranteed to them whatever the kind of work assigned to them later on.

Both the Management and the Union agree that in order to secure an improvement in labour productivity there is need to establish a revised standard force in each of the existing departments. If there are more men than required by the standard force, the Company will be entitled by the agreement to leave vacancies unfilled, and transfer surplus men to fill up essential vacancies in other departments, or for employment in the new plants.

### **Without Tears**

The Tata Agreement between the management and the union faithfully follows the principles already laid down in regard to industrial policy in the First Five Year Plan. Indeed, this is perhaps the only way that higher productivity can be achieved in a country where there is a labour surplus of such a magnitude as in India. However in so far as a programme has been actually worked out in detail to the satisfaction of both parties, the Tata Agreement can well claim to be the first of the kind. The characteristic of both the principles laid down regarding rationalisation in the First Five Year Plan and the Tata Agreement is that unemployment or retrenchment of any kind is avoided. Instead the men are giving alternative employment in case some reduction of staff is necessary

in any section or department. Vacancies may remain unfilled if the management and the union are agreed that the labour actually utilised is more than the required standard force. And at every step the union is consulted so that the workingman is fully aware of the situation and is assured of benefiting from the increasing income of the firm.

This process of increasing productivity and keeping abreast of industrial invention and at the same time satisfying the claims of labour has come to be known in India as 'rationalisation without tears.' It has one great advantage: that it does not throw men out of their jobs and thus aggravate the unemployment situation in the country. But on the other hand, neither does it lead to an absorption of surplus labour seeking for employment. And during the transition period before the effects of increased productivity can be achieved and spread throughout the community, the clamour of the unemployed will make itself felt through political pressures for the prohibition of any labour-saving device.

### **Textiles**

As Prof. Charles Myers points out in an interesting article in the May 1956 issue of the International Labour Review on 'Labour Problems of Rationalisation', the textile industry in India has been particularly hampered in its efforts to replace obsolete machinery by automatic looms not only by Industrial Labour but also by the large number of people who earn their living by working hand-loom. On behalf of the latter it is even argued that 'there is in this emphasis on the household and hand industries an implicit ideo-

logical commitment to a way of life that is considered by many Indians superior to urban industrialisation and is appropriate for India's labour-capital ratio.'

However the Labour Unions have come to realise that the whole textile industry needs to be rehabilitated and run efficiently if our foreign markets are not to be lost to the Japanese who are equipping themselves rapidly for the struggle. But so far permission for the replacement of non-automatic by automatic looms has not been forthcoming. The unemployment problem is so pressing and so complex that it is difficult for the government to take any measure which seems to increase or at least keep stagnant the pool of unemployed men. All the same the Second Five Year Plan lays heavy emphasis on industry and is mainly capital-investing rather than labour-investing. There will not be so very more jobs created although the production of the country will be greatly increased in the near future. Naturally in view of the acute unemployment situation in the country the plan has been severely criticised on this score. There has been a sharp tussle between the owners of textiles factories and the hand-loom weavers regarding which of the two should be given priority: increased production with a low employment ratio or more numerous opportunities for employment with lower production.

### **Policy**

The policy of the Government has been to steer a middle path and thus escape the dilemma. The Ambar Charka is not to be discouraged, but to be improved so that the quality of the yarn it produces may be suitable for weaving. Centres of training are

to be opened in the districts where the village spinners will be taught how to handle the Charka. At the same time the Government intends keeping an open mind on the question of increasing the production of cloth by the use of automative machinery. But this middle-of-the-way policy has not solved the problem of the Managing Agents who would prefer a bold policy of high productivity, even at the cost of aggravating the unemployment problem for the time being. However one can hardly find fault with the general policy of 'rationalisation without tears'. This scheme has been worked out practically by tripartite discussions between the representatives of Government, Management and Labour and appears to be the best in the circumstances.

### **Responsibility**

Another important managerial problem that received attention at the Tata Management Conference was the delegation of responsibility in view of the goal of higher productivity. With the accumulating intricacy of modern machinery, the more exacting demands of consumers especially for further production, and the complex processes of production, it is impossible for a single managing head to take all the decisions. The devolution of responsibility becomes an imperative need of modern large-scale industry, and there is no gainsaying its advantages. The more men are treated like responsible human beings in the factory and realise the conviction that they are all working as a team for the good of the community, the more stable and balanced will that society become, and the more will its members be given the opportunity

to realise their best selves. But the areas of responsibility have to be carefully demarcated so as to avoid overlapping of authority and confusion of function.

In conclusion, it seems to be obvious that Indian Management is being forced to think in terms of the welfare of the community. Even Mr. Tata admitted that he can no longer take decisions on his own initiative. The liberal tradition of the Tata Management in their relations with the community at large and their awareness of changing circumstances have helped them accept the situation with more grace and facility. But it will take a long time for the majority of the Indian businessmen who have been brought up in a tradition of self-interest and authoritarianism to adapt themselves to the welfare and democratic climate that is tending to invade larger areas of India's industrial world.

A. Fonseca

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### ATTENTION PLEASE !

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# Documentation

## RACIAL SEGREGATION

by Archbishop Rummel of New Orleans

### Racial Segregation

Difficult indeed is the approach to a propitious solution, according to Christian principles of justice and charity, of the problem of racial integration in our schools especially in the Deep South where for more than a century and a half segregation has been accepted without serious question of challenge.

For months we have prayed, studied and consulted about the problem with a sense of our responsibility for the welfare of all souls that constitute the spiritual family for which, in virtue of our office as Archbishop, we are responsible before God. With an appeal to the Holy Spirit, we now submit for careful consideration the following results, especially regarding the moral difficulties which segregation presents.

### Unity of the Human Race

1. Racial segregation as such is morally wrong and sinful because it is a denial of the unity and solidarity of the human race as conceived by God in the creation of Adam and Eve... Throughout the pages of the Old Testament and the New there is constant recurrence of this truth, that all mankind has in Adam and Eve one common father and mother and one common destiny, namely to serve God in this world and find eternal happiness with Him in the world to come....

(The Archbishop then shows how his claim to teach on the racial question with the authority of Christ Himself arises from the basic fact of his office as Archbishop and his communion with the Holy See.)

### Universality of the Redemption

2. Racial segregation is morally wrong and sinful because it is a denial of the unity and universality of the Redemption.

The Eternal Son of God, Christ Jesus Our Lord, came into the world to redeem and save all men, to die for all men on the cross, to make the life of grace available through the Church and the Sacraments for all men, to embrace all men in His Mystical Body on earth and in the life of glory in heaven. Racial segregation would draw the colour line across the inspiring plan of the Redemption and thus sin against the Divine Providence, the love and the mercy that conceived and carried out the wonderful Mystery....

### ***Violation of Justice***

3. Racial segregation is morally wrong and sinful because it is basically a violation of the dictates of justice and the mandate of love, which in obedience to God's will must regulate the relations between all men. To deny to members of a certain race, just because they are members of that race, certain rights and opportunities, civic or economic, educational or religious, recreational or social, imposes upon them definite hardships and humiliations, frustrations and impediments to progress which condemn them to perpetual degradation which is only a step removed from slavery. Such indignities are grievous violations of Christian justice and charity, which cannot be justified in this modern age of enlightenment and loudly proclaimed democracy. Of violations of charity, St. Thomas Aquinas says in his work about the two precepts of charity, that men having the same nature are morally bound to love one another. It is Thomas' teaching that ".....every animal loves its like," wherefore since all men are alike in nature, they ought to love one another. Therefore to hate one's neighbour is contrary to, not only the divine law, but also the law of nature."

### ***Never Justifiable***

4. Because the emancipation during the War between the States involved certain physical and economic hardships, racial segregation was regarded with toleration but never justifiable as a permanent racial adjustment. Even the Catholic Church considered it wise and necessary to give separate church and school facilities to Negroes to afford them the

opportunity to practise their faith more freely and educate their children more fully than was often possible in mixed congregations, but this arrangement was never intended to be permanent. This is attested by the Most Reverend Archbishop Francis Janssens, D.D., who initiated the programme with the remark that he did so very reluctantly and in the hope that it would be possible after a brief period to have all Catholics worship under the same roof.

We come now to the reasons for segregation at least in the school. These reasons are for the most part unwarranted generalizations in which it is aimed to give the impression that all members of the Negro race and especially all Negro children are tainted with virtually all the alleged defects. The amazing fact is that "as a race" they are not more generally lacking in mental ability, culture, moral self-control, immunity from social diseases, criminal propensities, etc., when you consider the neglect and barriers to which they have been exposed in education, general culture, economic opportunities, respectable housing facilities, contact with stable social institutions and the more dignified ways of life. Although living and moving in the mael-storm of city or rural life, the laws and the customs built up around the mystic term "segregation" have practically relegated Negroes to an island-like existence. They emerge to work, toil and serve even in the intimacy of the white home and family, but "segregation" cuts off the free avenues to progress in the better things of life that are synonymous with Christian civilization. This condition in itself is an indictment against continuing segregation "indefinitely" as it advocates envision.

This statement would become unbearably long were we to analyse even briefly the alleged mental defects, moral and criminal propensities, economic shortcomings and social disabilities and dangers which form the general basis for continuing segregation. We are having these allegations examined objectively by competent judges and may announce the result in due time. For the present we can only state that there are differences between the races on these points, but there is also much generalization and much emotionalism.

### **The Archbishop Concludes**

We wish to assure the Clergy, the Religious and the Laity of the Archdiocese that we are giving to this important problem our most serious thought, study and consultation, not to speak of the many prayers which we offer daily for Divine light and guidance, because we realise the importance of the issue which is involved. Nothing would please us more than to be able at the present moment to render a decision that would serve as a guide for priests, teachers and parents. However, there are still many vital circumstances which require further study and consideration if our decision is to be based upon wisdom, prudence and the genuine spiritual welfare of all concerned. Hence we plead with all of you for perseverance in prayer in order that the final decision may be in conformity with the will of Christ and the highest interest of souls according to the mind of Holy Mother Church. May we likewise unite in prayer that the decision, when made, will be accepted in the spirit of Christian charity and justice and in that unity of mind, heart and will which must always characterise the family of God.

This is a problem which should be worked out not in an atmosphere of wrangling or contention or discord or hatred but in a spirit of reconciliation and with a desire to achieve through justice and charity. Prayer and calmness of spirit are much needed in all our hearts, and for these we plead in the name of the Divine Prince of Peace.

May this peace be shared by all of us now and during the time of deliberation and may it endure in our midst for all time!

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## PREVENTION OF INDUSTRIAL ACCIDENTS\*

Pope Pius XII

In welcoming you here, Gentlemen, as participants in the first World Congress for the Prevention of Industrial Accidents, We turn our mind back to the month of November last year, when We had the pleasure of receiving, at Castelgondolfo, the members of the Administrative Council of the International Labour Organization. At that time, we warmly congratulated that body on its great contribution towards the development of social legislation in many countries, and on its ardent dedication to the study of current problems having to do with the relations between employers and workers. One of these problems, caused by the continual development of mechanization, is that of the increase in the number of industrial accidents, which has become particularly noticeable since the last war. It is in order to study this problem that the *Ente Nazionale di Prevenzione degli Infortuni sul Lavoro*, with the collaboration of the International Labour Organization, has invited you to this Congress. Deeply touched by the homage you desire to render Us, We gladly avail Ourselves of this opportunity to express to you Our most sincere congratulations and Our encouragement.

For several decades now the struggle against industrial accidents has been carried on energetically with the assistance of specialized technical organisations. There is here discernible one of the most fortunate consequences of the impetus given during the last century, and constantly reinforced since then, by so many generous men who were anxious to better the material and moral conditions of the workers, and whose efforts Our predecessors, Leo XIII and Pius XI, sustained and directed by means of the social encyclicals. Important associations have been formed which, often with the support of

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\* An address to the delegates of the First World Congress on the Prevention of Industrial Accidents, Vatican City, April 3rd, 1956.

public authority, strive to stimulate the efforts of scientists, experts and all persons having a position of responsibility in regard to safe and hygienic working conditions. But it becomes more and more evident that dispersal of strength must be avoided, that the results of experience and research in different fields must be pooled, that undertakings must be coordinated with the widest possible international extension. Such is the purpose of this World Congress.

Among the subjects of report and discussion which you have set down in your programme, we particularly note the study of the task and functioning of safety committees, the responsibility devolving upon the makers to render machinery safe, the influence of human factors, especially professional selection and training, the problems of international collaboration in safety matters. These are no doubt general themes, but they require the particular solutions and need to be broached in this first World Congress.

### ***Human Motives***

Without losing sight of the part played by technical factors in the prevention of industrial accidents, factors which differ according to the various industries, it was proper to emphasize a more delicate aspect, viz. the intervention of human motives. Your efforts in fact are a prolongation of the unending attempt which man has made from his very origin to dominate matter, with its blind resistance, with its baffling, sometimes sudden and terrible reactions directed towards whoever tries to insert it more completely into the framework of his inventions. Every human work entails a certain risk, whether physical, economic, or moral. This risk may, or even must, be accepted, when it does not pass the limits set by prudence. Indeed, man finds a powerful psychological stimulus in this sort of challenge. On the other hand, however, no one may, without serious reasons, compromise his own health or that of his fellows, risk his own life or that of others. And yet how much imprudence, how much culpable negligence, how many

risks deliberately increased, occur as a result of the sole desire of avoiding the economic charges and material sacrifices presupposed by every application of safety measures? The line of least resistance in this case is the same for all: in order to avoid waste of time and to increase production and profit, or even simply to save oneself an unpleasant psychological effort, all vigilance is relaxed, and sometimes even the most elementary precautions are neglected.

If, however, we consider recent social evolution and reflect a little, it is easy to perceive the real good and utility of such an effort. No one nowadays denies the part played in the worker's productivity by his subjective dispositions. Non-recognition of the physical, affective and moral requirements of the human being ends by embittering him and turning him against those who despise his personal dignity. How can the interest each man has in his work, and the professional conscience which impels him to do it perfectly, how can these subsist, when there is constantly imminent the threat of an accident which would deprive the individual and his family of that salary on which their material sustenance depends? Even on economic grounds alone, such reasons suffice in themselves to arouse in employers the will to assure their workers of satisfactory safety and hygienic conditions.

### ***Professional Selection and Training***

Among the means of a general order which are utilized for this purpose, it is certain that professional selection and training, together with the perfecting of workmanship, occupy a leading place. This fact is clearly manifested by the increased frequency of accidents among immigrant workers, who are set to industrial tasks for which they have not been prepared by long apprenticeship, nor even by family or regional traditions. When considered from this point of view, the question appears in its very vast extension, and reveals one of its typical characteristics. The specific problems of industrial accidents prevention will only find complete solution when reinserted

into a general plan which takes all aspects of the worker's life into account and satisfies all his lawful desires. The application of measures of a technical nature will thus be facilitated, and will produce assured results such as neither force nor other external means of persuasion could obtain.

These rapid considerations suffice to illustrate the complexity of the tasks facing preventive organizations. How much patient research, skill, and co-operative spirit are required in order to solve the theoretical problems! And how can we describe the obstacles which impede the application of safety devices! Difficulties, these, which are often attributable to the very parties concerned, who do not understand the purpose of what is asked of them or the tragic consequences of actions forbidden to them, or else, while not denying the necessity of the rules laid down, they gradually tire of observing them, so that their good will needs to be unceasingly stimulated.

With a view to keeping kindled the ardour which urges you to study these problems and foster their solution, you set before yourselves Gentlemen, the noble aim of rendering a social service which in our time is indispensable. Your intention, in its temporal domain, is related to that of the Church and of its Divine Founder, whose life and death were consecrated to suffering mankind to apply a remedy to its ills. Just as it is Christ alone who, by showing forth the hopeful light of the redemption, alleviates the many miseries and disabilities weighing upon the human race, it is in Him also that must be sought that interior strength so necessary to whoever is inspired by His example and desires to continue among modern men the beneficent action that was His. The solemn commemoration of this week will, We are sure, suggest to most of you those dispositions of soul which will sustain you in your task, so often difficult and thankless.

The Pope then gave the assembly his apostolic blessing.

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## BOOK REVIEWS

**FIRST ASIAN MEETING for the APOSTOLATE OF THE LAITY** — Acts edited by Rosemary Goldie, Palazzo delle Congregazioni, Piazza San Callisto, Rome, pg. 335, price \$ 3 : 00.

From the 3rd. to the 8th. Dec. 1955, Manila was the venue of the first meeting for the Lay Apostolate in Asia. The Acts of this meeting published by Rosemary Goldie brings into perspective the spiritual, social and economic problems facing the peoples of Asia awakened to a new hunger for material prosperity and social advancement by the impact of Western dominance and technology.

The Acts deal with the speeches that were delivered at the Plenary Sessions and the discussions, findings and recommendations of the Workshops.

The various speakers stressed the timeliness of the meeting in as much as the situation in Asia was undergoing a radical change. Most of the Asian people were now independent and still smouldering with the fire of nationalism. On the other hand totalitarianism had enveloped more than half of Europe and was trying to make inroads into the new Asian independent communities. The impact of the West on the ancient oriental systems had been partly good and partly bad. It had awakened the peoples of Asia to a sense of their great poverty and backwardness and the desire for a change. In this sense a revolution was working in Asia filling its peoples with the spirit of youth, and a new vitality. But at the same time a hatred for Western colonialism was part of their new outlook.

Dr. Paul Sih underlined the differences in culture between the East and the West and pointed out how the gulf should be bridged through the lay apostolate.

The methods that could be used for the purpose were outlined and discussed; civic and political activity, the publicising of the social doctrine of the Church, the press, the radio, public opinion, etc.

Suggestions were made on how to tackle the economic problems of Asia, which are mainly those of an underdeveloped country; great poverty, predominantly agricultural communities, but the presence of important industrial groups in India and Japan were not to be ignored, since already they contained the germs of industrial unrest so common in Europe and America. Finally there was the rapid advance of Communism which had already swallowed up the great land-mass of China with its teeming millions.

Another important element that was stressed was the fact that Catholics formed a small minority of huge populations throughout the Asian countries except the Philippines. But the delegates agreed that a small minority well organised can have an influence far beyond its numbers.

The facts brought out in the workshops and the discussions that took place in the light of these facts make very interesting reading. Quite a number of resolutions were taken by each workshop, but in most cases today resolutions are meant to be pointers of the direction in which the lay apostle should strive rather than absolute goals of action to be performed within a given period of time.

The Acts form a handsome and attractive volume, clearly printed and full of information.

A. F.

A HANDBOOK OF SOCIAL ACTION by Fr. Victor O.C.D. Alway : J. M. Press, Pp. 39, Price : 4 annas.

This is a very brief but suggestive synopsis of how Catholic social apostolate can be organised in India. The emphasis is on *organisation*, and Fr. Victor takes his readers step by step through the various aspects of parish life that need organisation like the youth and the workers, and then outlines the regional, diocesan, and parish set-up for organised social apostolate. There is a useful appendix on how to conduct meetings. The handbook has been produced under the auspices of the Malabar Regional Committee of Catholic Social Work, Ernakulam and is mainly concerned with the problems of social work in Malabar, though the suggestions it contains could be utilised very usefully elsewhere.

A. F.

THE POLITICAL QUARTERLY — Special Numbers — January to March and July to September, 1956 — Trade Union Problems, and Employers and Labour Problems.

These two special numbers of the Journal dealing exclusively with Labour problems from the viewpoints of the Trade Union and Management make very interesting reading as a recent survey of the field of labour relations in the U. K. The difference between the general tendency towards equality of income and the struggle among groups in Trade Unions

demanding differentials in wages, the question of union leadership and its relations with rank and file, the significance of the trade union in the modern welfare community, the problems of organisation in common territory, are highlighted with special intensity as some of the more difficult hurdles Labour will have to surmount in the near future.

On the other hand, Management has its own problems to solve. While in the U. S.A., legal pressure has forced managements to bargain with their respective unions and to improve their personnel management departments, the British experience of voluntary agreements between management and the union has in a way delayed the acceptance of a sense of equality and partnership between the two sides. Experience seems to show that monetary incentives have a small part to play in securing worker morale or in boosting production. Indeed in the Glacier Metal Experiments, greater consultation and partnership with labour has not resulted in lessening the conflict between the two sides. The general impression seems to be that much more research has to be done into the psychological reactions of the worker, which are far more obscure and complex than one imagines.

A. F.

## *Social Survey*

### **Match Industry.**

The Labour Investigation Committee had conducted an inquiry into the labour conditions in the match industry in 1945. With a view to bringing up-to-date the data contained in the report of the Committee the Labour Bureau issued a questionnaire in 1955 to 78 units in the industry, soliciting information regarding labour conditions. Of these 26 units supplied the requisite data. We shall give here some of the items of interest to social workers.

According to the latest figures available, there were 132 working factories in the Indian Union during 1954. The daily average employment in 127 of them was 20,479.25 of the factories which supplied information employ more than 50 per cent of the total labour force in the industry, viz., 11,131. Again most of these labourers are found in five big units which employ 8,359 persons. Thus it can be seen that the information supplied came from the more important units.

A greater part of the labour force is recruited directly. Only about 8.3 per cent was supplied by contractors and that too in certain States only. Though women constituted about 18 per cent of the total labour force, their proportion was very much higher in contract labour, viz., 85.5 per cent.

A greater part of the labour force works on a piece-rate basis (85.1). Nearly 93 per cent of the workers, and in the five big units nearly 100 per cent, are permanent. Of the 9,990 workers for whom data is available, 26.8 per cent had put in over ten years of service. Of the rest nearly 70 per cent had been in service between 5 and 10 years.

Wages paid are on the whole poor. They vary from Rs. 9/12/- p.m. in Madras to Rs. 93/7/- in Bombay. In the five

bigger units the emoluments were much higher than in the others. Most factories pay a basic wage to which is added a dearness allowance based on consumer price index. Besides a few of the units give other allowances such as house allowance, food concessions, night shift allowance, etc. Most of the units pay some sort of bonus to their workers. Of the bigger units the Assam Match Co., has been paying a bonus of 37.5 per cent of the total basic wages. Besides this they are paid profit bonus and production bonus. The Western India Match Co. at Ambernath (Bombay), Bareilly and Calcutta pay an annual bonus of 37.5 per cent of the basic earning and a production bonus ranging from Rs. 5 to Rs. 15 per month.

The average earnings of match factory workers in 1955 were Rs. 961.2. These figures relate to 15,884 workers in 7 States. The lowest earnings were in Madhya Pradesh (Rs. 311.9) and highest in Calcutta (Rs. 1,688.1).

The daily hours of work in most factories are 8. In a few,  $8\frac{1}{2}$  hours are put in. There is a rest period varying from  $\frac{1}{2}$  hour to two hours depending on the shifts. Workers are given besides the ordinary leave prescribed by the Factories Act, sick leave with pay, casual leave (2 to 10 days) and festival leave (2 to 10 days) In the five bigger units sick leave varied from 10 to 14 days in the year.

In 1954 in seven units (five big and two small) there were 321 non-fatal and two fatal accidents. Of these 317 were in the five big units. 206 accidents were compensated and the amount of compensation paid in these cases was Rs. 10,923/15/6.

Trade unions function in most factories. In some factories there are more than one union. Besides this there are works committees and advisory committees.

Only in the five bigger units some provision is made for housing and other welfare facilities. Only in these Provident Fund facilities are also available. The condition of labourers in the smaller units generally leaves much to be desired.

(Labour Gazette).

### **Employment**

In July, 1956, there were 792,000 persons on the live registers of the Employment Exchanges. During the month 170,918 fresh registrations were made. Placements made during the month amounted to 16,007 and vacancies notified were 23,568. The number of unemployed increased by 7 per cent over the previous month. This was owing to several causes. The on-set of the monsoon threw out of work many employed temporarily. Besides this there were closures, retrenchments and layoffs in several places. No great improvement is apparent in factories either. The unemployment situation in the country is as bleak as ever.

### **Labour Relations**

The management and employees of the National Newsprint and Paper Mills Ltd., Nepanagar, as result of mutual negotiations have reached an agreement. The outstanding feature of the agreement is the acceptance by the management of the principle of progressive association of workers at appropriate levels in the formation of welfare and works policies. According to the terms of the agreement three advisory bodies will be set up. Each committee will consist of equal number of representatives of the management and the employees. These three advisory bodies will deal with (1) welfare measures and other amenities to be provided for the workers, (2) matters relating to regulation of market prices, and (3) allotment of housing accommodation respectively.

Both parties have agreed to settle all disputes, if any, by mutual negotiation, conciliation and arbitration and avoid

strikes, lock-outs, coercion, illegal practices, victimisation and recourse to law courts.

Under the agreement, the minimum basic wage of workers has been fixed at Rs. 25 per month and the rate of dearness allowance increased from Rs. 30 to Rs. 35 per month for all persons getting a basic salary up to Rs. 150 per month.

The Management will approach the Government to extend the benefits of the Employees' State Insurance Scheme to the workers. Meanwhile the management will make available to workers and their dependants free medical aid.

The agreement came into force on 1st March 1956 and will remain in force for a period of five years. —

(Labour Gazette).

### **Basic Education**

During the period of the first Five Year Plan the Bombay Government have set up nearly 3,000 basic schools in the State. About 2,000 primary schools were converted into basic schools. During the period nearly 5,000 basic teachers were trained annually. Through intensive propaganda, exhibitions, and special courses given to teachers, the Government have been trying to popularise basic education.

The idea that besides book knowledge pupils in secondary schools should be given some technical know-how is being more and more admitted even by conservative elements in the educational field. Many schools have started simple, inexpensive but useful courses which teach a trade to the boys and girls.

It is reported that a school on the East Coast where a large part of the local population is engaged in the handloom industry, has started a weaving department. Weaving is a trade confined to members of a certain caste only and

the pupils belonging to this particular caste only would take up the course. Now students of higher castes have also joined in as they want to qualify themselves for directing weaving establishments and not for weaving itself.

### **Social Welfare Projects**

Consequent on the reorganisation of States the Central Social Welfare Board has allocated welfare extension projects to the various States. The allocations are: Andhra Pradesh 80; Assam 68; Bihar 72; Bombay 176; Kerala 20; Madhya Pradesh 160; Madras 52; Mysore 88; Orissa 52; Punjab 84; Rajasthan 104; Uttar Pradesh 204; Himachal Pradesh 20; the Centrally administered areas 4 each.

There will be, therefore, 1308 projects at the rate of 4 per district, each covering about 25 villages. The number includes projects already started.

### **Newsprint**

The Government of India is planning on setting up a factory for the production of newsprint from bagasse. Bagasse is the residue of sugar cane after the juice has been extracted. The proposed factory, which is likely to be set up in South India near a large sugar mills, will cost over Rs. 5 crores, will consume 50,000 tons of bagasse annually and produce 30,000 tons of newsprint annually. The cost of newsprint produced is estimated to cost Rs. 600 per ton ex-works, compared with the price of Rs. 870 per ton at ports for the imported variety. India needs about 100,000 tons of newsprint per year of which nearly 30,000 tons are likely to be produced by the NEPA Mills in Madhya Pradesh.

### **Poor Students**

The Poor Educational Fund established for the education of students belonging to the Balijas, a section of the Andhras, has just completed forty years of a very useful life. The

late Fr. S. J. Balasami seeing the need for raising the status of the members of the Baliya community, with the help of a group of zealous co-workers, started a fund to help deserving boys and girls of the community to prosecute their students. Thanks to the efforts of this zealous priest a large number of members of Baliyas are today occupying important positions in various walks of life.

The Fund has a capital of Rs. 14,138 collected through the last forty years. In the beginning the founders of the Fund had to face many and serious difficulties but thanks to their indomitable courage every obstacle was cleared and the fund firmly established. At present (1956) some 15 students are receiving scholarships from the Fund. Before receiving help from the Fund a prospective student must sign a contract and bind himself to repay the loan in easy instalments. But unfortunately many of the ex-scholarship holders seem to have forgotten their obligation. According to the annual report nearly Rs. 10,000 are due to the Fund from these. If they would pay up their dues and other members of the Community would contribute generously to the Poor Students' Fund much good could be done. Self help is the best help. We cannot depend on Government grants all the time.

### ***Small Industries***

The Union Ministry of Commerce and Consumer Industries, in order to help small industries and thus provide jobs for the unemployed and also to help the low income groups to augment their meagre incomes, has sanctioned loans totalling Rs. 70 lakhs to three States: Uttar Pradesh, Punjab and Delhi. Since the starting of the scheme of financial assistance to small industries the Centre has sanctioned loans aggregating Rs. 3.66 crores. Different State Governments have made a provision of about Rs. 1.5 crores.

Under the scheme loans are given on easy terms up to 75 per cent of the value of the security offered including

assets created out of the loan. A nominal interest of 3 per cent is charged on loans to individual entrepreneurs, while in case of industrial cooperatives the rate is further reduced to 2½ per cent. In the case of loans below Rs. 2,000 only personal bonds are taken.

As small industrial concerns need besides finance technical assistance technical guidance is now being extensively provided through the network of regional small industries service institutes in Bombay, Calcutta, Delhi, and Madras, the branches of these institutes and their field staff. There are officers of the Central Ministry at various centres in the country to advise and render assistance to small scale industries.

### **Railways**

More amenities are promised for third class passengers. The Government, it appears, is contemplating the making available to all third class passengers sleeping accommodation. The upper berths, which now groan under the load of voluminous baggage, will be used for sleeping. Where will the luggage go?

Fully air-conditioned trains providing accommodation for first and third class passengers have started running on certain trunk routes. With the introduction of the Winter Timetable many trains have been accelerated, on paper only, for most trains run late most of the time. In one zone it is said that all trains are late all the days of the week. Time seems to have no value.

A mission has gone to the World Bank to obtain help for the development of transport facilities in India. Already at the beginning of the second Five Year Plan our transport system is in difficulties.

Plans are under preparation for linking the Northernmost point of the Bhrmaputra with Cape Comorin through water-

ways. The various rivers will be linked through an enormous system of canals. This system is likely to be opened for traffic at the end of the last Five Year Plan.

### **Milk Powder**

India is likely to set up soon seven factories for the production of milk powder at a total cost of Rs. 1.4 crores.

India will have imported 1,800,000 tons of food grains from abroad by the end of this year. Out of the total imports wheat will account for 1,340,000 tons and rice for 460,000. The total cost of the imports is estimated at Rs. 75.25 crores.

### **Hydro-Power**

Since 1953 the Central Water and Power Commission has been engaged in a country-wide survey to assess India's utilisable hydro-power potential. The survey has been made on a regional basis coverings: (i) the west-flowing rivers of the Western Ghats, (ii) the east-flowing rivers of South India, (iii) the rivers of Central India, (iv) the Ganga basin, (v) the Brahmaputra basin, and (vi) the Indus basin. This regional classification is considered necessary because the problems involved in the development of power resources are not indetical in all the regions.

It is estimated that India's utilisable hydro-power potential is of the order of 35 million kw. at 60 per cent load factor. Details for four regional sections have been published. The possible schemes on the east-flowing rivers of the Ghats are 26 in number which could develop 3.7 million kw. at 60 per cent load factor; those on the east-flowing rivers of South India number 46 aggregating to 6.8 million kw; those of the rivers of Central India are 36 in number which could give 3.9 million kw.; and the Ganga basin has a potential of very nearly 13 million kw. of which about 7.5 million kw. would be entirely in Nepal.

At present only 2 per cent of the expected hydro-power resources are being utilised. The cost of production is much less than that of thermal power, the current cost ranging from 0.2 to 0.3 of an anna per unit in the majority of schemes. The cost of thermal power from mine-head thermal stations of even the largest sizes ranges from 0.4 to 0.45 of an anna.

### **Provident Fund**

The Employees' Provident Funds Scheme covered 453,896 employees of 1,345 factories in 6 industries during 1954-55. The number of persons covered by the scheme was 86 per cent of the total employment, namely, 526,071 persons in these industries.

### **Calendar**

The coming years will afford ample opportunities to our school going youngsters for mental training. From next year we shall have *naya paisas, naya seers, naya miles*. To know where exactly we stand in all business and every-day dealings we shall have to arm ourselves with reduction tables. Our leaders who seem to be in an awful hurry — or may be they have a very high opinion of the mental acumen of our youngsters — have now announced that from 12 March, 1957 we shall have a new calendar also. March 22nd, 1957 will be 1st Chaitra 1879, Saka Era. From then on both the Saka Era calendar and the Gregorian Calendar will be in use and official publications will give both dates. According to a Press Note issued by the Home Ministry a commission has been busy with this calendar reform since 1952. What next ?

### **Labour Law**

The Supreme Court has, in disposing of an appeal from the decision of the Bombay High Court, given a ruling of great interest to both employers and employees.

Facts of the case are as follows : Mr. Eugene Fernandes, an employee of Caltex (India) Ltd., was dismissed from service as a driver at Santa Cruz Airport, Bombay for smoking contrary to rules in close proximity to an aircraft which was being refuelled at the service station. Caltex applied for permission to the Industrial Tribunal, as required by law, to dismiss the driver. The Tribunal while finding the employee guilty held that the punishment was excessive and refused permission.

The management went on appeal to the labour Appellate Tribunal which held that the lower Tribunal had no jurisdiction to substitute its own views of the correct punishment to be given to the employee once it found him guilty of misconduct. It allowed the appeal of the management. This decision was upheld, on appeal, by a single judge of the Bombay High Court.

Against this decision Mr. Fernandes preferred an appeal before a Division Bench of the High Court of Bombay urging that the appeal by the management did not involve any substantial question of law and consequently the Labour Appellate Tribunal had no jurisdiction to decide the matter. This contention was upheld by the Division Bench and the decision of the Labour Tribunal was restored.

The Management went on appeal to the Supreme Court. The appeal was heard by four Judges of the Supreme Court. Mr. Justice Bhagwati giving the judgement stated that "the Industrial Tribunal has no jurisdiction while entertaining an application under section 33 of the Industrial Disputes Act to consider whether the punishment sought to be meted out by the employer to the workman is harsh or excessive. The measure of punishment to be meted out is within the sole discretion of the employer who is to judge for himself what is the punishment commensurate with the offence which has been proved against the workman". His Lordship further stated that in going into the question of the measure of

punishment to be given to the employee for any misconduct the Industrial Tribunal was exercising a jurisdiction which was not vested in it and that was a substantial question of law giving the Appellate Tribunal jurisdiction. That being so the decision of the Division Bench of the Bombay High Court was set aside and the order of the Labour Appellate Tribunal was restored.

### **Handlooms**

The 20,000 handloom weavers of Chotanagpur and their 300,000 dependants are up in arms against the proposed introduction of powerlooms. The average monthly earning of a weaver now is about Rs. 25. About 5 million yards of cloth is produced by the weavers.

They fear that introduction of powerlooms would cause widespread unemployment. A handloom employs about 20 persons for each unit but a powerloom can do with only two persons. Besides a powerloom can produce 20 times more in a given time. That would create a slump in the market for even now, in spite of the best efforts of the Co-operative societies and Government emporia, the weavers find it difficult to dispose of their goods. Then there is the question of cost. While a handloom costs about Rs. 10 a powerloom would cost Rs. 1,500 plus the electric motor. They will need besides skilled workers to attend to them.

### **Public School**

The Government of Bihar started a Public School at Natarhat, a picturesque hill-top 4,300 feet above sea level on the Chota Nagpur plateau, in 1954. The School provides residential education to boys of 10-17, up to the Higher Secondary standard and prepares them for public examination and for admission to the National Defence Academy and other institutions of higher training. Its courses include arts, music, technical training, agriculture, forestry, in addition

to the usual subjects. Admission is through Statewide competitive examinations held annually.

Poor boys are educated entirely free, the Government meeting all expenses for board, lodging, tuition and travelling. Others pay according to the income of their parents. 114 students are at present on the rolls. Of these 50 whose parents have an income of less than Rs. 100 are entirely free. 43 students pay Rs. 300 annually as their guardian's income falls between Rs. 101-250 per month; 16 whose parents are in Rs. 251-500 group pay Rs. 500 per annum while 5 students whose fathers have a monthly income of Rs. 501-700 pay Rs. 900 a year. There is no distinction whatsoever between paying students and free students. There are 8 Adivasi, 4 Scheduled Caste and 21 other students from backward classes reading in the School.

The students live in "Indian style". There are no tables in the dining hall and no chairs in the students' rooms. The boys do all the washing and cleaning in their Houses which are called "Ashrams." The medium of instruction is Hindi but great stress is laid on English. The Principal is an Indian.

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